

**Michigan Commission of Agriculture Meeting  
Michigan Department of Agriculture  
4th Floor, Ottawa State Office Building, Pridgeon Conference Room  
611 West Ottawa Street, Lansing, Michigan**

**MEETING MINUTES**

January 16-17, 2001

**PRESENT:**

James Maitland, Chair, Commission of Agriculture  
Jordan Tatter, Vice-Chair, Commission of Agriculture  
Nora Viau, Commission of Agriculture  
Bill Pridgeon, Commission of Agriculture  
Dan Wyant, Director, Michigan Department of Agriculture

**OTHERS PRESENT** *(All or part of the meeting):*

Michigan Department of Agriculture Staff  
Ron Zellar, Assistant Attorney General  
Rob Anderson, Michigan Farm Bureau  
Ron Armstrong, Lawton, Michigan  
Brian Bellville, Prescott, Michigan  
Nancy Bellville, Prescott, Michigan  
Terry Bellville, Whittemore, Michigan  
Bob Bennett, Prescott, Michigan  
Ernie Birchmeier, Michigan Farm Bureau  
James Brian, Frankfort, Michigan  
Kara Butters, Michigan FFA  
Bill Carpenter, Tawas City, Michigan  
Brett Chase, Walkerville, Michigan  
Lorraine Chase, Walkerville, Michigan  
Michael Chase, Walkerville, Michigan  
Eric Clemens, West Branch, Michigan  
Sharon Daniels, Sterling, Michigan  
Victor Daniels, Sterling, Michigan  
Noelle Dunckel, Michigan FFA  
Terry Fritz, West Branch, Michigan  
Jeff Hawes, Michigan FFA Advisor  
Lynn Henning, Clayton, Michigan  
Fred Hinkley, West Branch, Michigan  
Paul Jackson, Michigan Farm Bureau  
Janet Kauffman, Hudson, Michigan  
Dan Kiesling, Michigan FFA  
Glenn LaCross, Suttons Bay, Michigan  
Klint Marshall, Lupton, Michigan  
Kathy Melmoth, Pittsford, Michigan  
Robert L. Mol, Attorney General's Office  
Russell Nelkie, Tawas City, Michigan  
Ron Nelson, Michigan Farm Bureau  
Dr. Larry Olsen, Michigan State University  
Steve Packer, Lawton, Michigan  
Amy Parker, Office of Auditor General

Jill Raterink, West Branch, Michigan  
Doug Roberts, House Republican Staff  
Ryan Robinson, Michigan FFA  
Representative Dale Sheltroun  
Bob Sherman, Elk Rapids, Michigan  
Kevin Small, Curran, Michigan  
Glenn Sterner, Michigan FFA  
Norman Veliquette, Elk Rapids, Michigan  
Alton C. Wendzel, Watervliet, Michigan

*(Commissioners attended the Michigan Agri-Business Association Winter Conference and Trade Show reception held in Lansing, Michigan, on January 16, 2001.)*

### **CALL TO ORDER AND ROLL CALL**

Chair Maitland called the meeting of the Commission of Agriculture to order at 8:40 a.m. on Wednesday, January 17, 2001. The roll was called with Director Wyant and all Commissioners present, except for Commissioner Darling.

### **INTRODUCTION OF NEW COMMISSIONERS**

Chair Maitland introduced and welcomed newly appointed Commissioners Bill Pridgeon from Montgomery, Michigan, and Nora Viau from Escanaba, Michigan. The Commission expressed its appreciation to former Commissioners Skogman and Stamp for their input and service to the agriculture industry and citizens of Michigan.

### **APPROVAL OF AGENDA**

**MOTION: COMMISSIONER TATTER MOVED TO APPROVE THE JANUARY 16-17, 2001 AGENDA AS PRESENTED. SECONDED. MOTION CARRIED UNANIMOUSLY.**

### **APPROVAL OF DECEMBER 7, 2000 MEETING MINUTES**

**MOTION: COMMISSIONER TATTER MOVED TO APPROVE THE DECEMBER 7, 2000 MEETING MINUTES AS PRESENTED. SECONDED. MOTION CARRIED UNANIMOUSLY.**

### **NEXT MEETING**

**The next regular meeting of the Commission of Agriculture is scheduled for Wednesday, February 14, 2001, in the Michigan Department of Agriculture, Pridgeon Conference Room, 4<sup>th</sup> Floor, Ottawa State Office Building, 611 West Ottawa Street, Lansing, Michigan.**

## **APPROVAL OF DIRECTOR'S OUT-OF-STATE TRAVEL**

**MOTION: COMMISSIONER VIAU MOVED TO APPROVE DIRECTOR WYANT'S TRAVEL ON FEBRUARY 23-27, 2001 TO ATTEND THE NATIONAL ASSOCIATION OF STATE DEPARTMENTS OF AGRICULTURE (NASDA) MID-YEAR MEETING IN WASHINGTON, D.C. SECONDED. MOTION CARRIED UNANIMOUSLY.**

## **COMMISSIONERS' COMMENTS**

**Commissioner Jordan Tatter** welcomed Commissioners Viau and Pridgeon to the Commission. He reported that winter temperatures and snowfall to date, while seemingly extreme, have been ideal for fruit tree, vine and bush bud survival. He is looking forward to a normal to late spring that should result in excellent fruit crops.

Commissioner Tatter serves on the Vegetable Industry Self-Study Team aimed at examining and predicting Michigan State University Research and Extension needs from the present to 10 years in the future. Dr. Dan Guyer is leading the effort and the team met twice during December. Commissioner Tatter also is a member of the Southwest Michigan Research and Extension Center (SWMREC) board of directors. The first meeting of the board was held in December. He also serves as vice president of the local advisory council to SWMREC.

Commissioner Tatter participated in a value-added agriculture focus group conducted by MSU Extension, and a fire blight workshop that was attended by Director Wyant and MDA staff. Over 100 growers attended, as well as Senator Gast. Along with fellow Commissioners, the Director and staff, Commissioner Tatter attended the Michigan Agri-Business Association Winter Conference and Trade Show reception and dinner.

Since the last Commission meeting, apple grower concerns regarding fire blight crop loss, tree loss, and overall further economic deterioration in the Michigan apple industry have been continuing. Increasing concern and frustration regarding abandoned orchard removal progress, or perceived lack thereof, have also been voiced to Commissioner Tatter.

At the November Commission meeting, Commissioner Tatter alerted the Director and Commission to the proposed construction of four natural gas-fired electrical generating plants being considered in Southwest Michigan. He had suggested that MDA be prepared, along with MSU, to speak to the agronomic issues regarding their siting. Instead, the Commission will be asked to decide if a site that is under PA 116 should be released. However, the Baroda Township Board in Berrien County has taken no position. It is his understanding that local government should take the lead if the release request is deemed "in the public interest," and that the Commission and MDA should not be the initiators of action. If that is correct, the Commission and MDA should not be drawn into the situation until the community makes the decision and comes to the department with a request to release the property from PA 116 jurisdiction.

Commissioner Tatter noted that the designation of the initial Agricultural Processing Renaissance Zones has resulted in consternation within the commodity-based fruit and vegetable processors of western Michigan, from Berrien County to the Traverse City area.

The state's administration of the legislation in relation to its intent is being called into question.

**Commissioner Nora Viau** expressed her appreciation for the opportunity to serve on the Commission. She lives in Escanaba, where she and her husband raise beef cattle, are cow/calf producers, and own draft horses. One of the biggest concerns in the Upper Peninsula is the bovine tuberculosis issue. She also noted that the Escanaba area does not receive as much snow as other parts of the Upper Peninsula, but there is good snow for snowmobiling.

**Commissioner Bill Pridgeon** also expressed his appreciation for the opportunity to serve on the Commission. He is looking forward to meeting and working with many new people. Commissioner Pridgeon is a hog producer and crop farmer from Montgomery, Michigan. He said that there has been a lot of snow this year in his area, with little freezing. This is a concern because the soil insect level may be a problem for crops this year.

**Commissioner Douglas Darling** submitted the following written comments:

I apologize to the Commission and the Director that I am unable to attend the January Commission meeting. I will be attending my brother's wedding. Over the past month I have had some phone calls from producers to clarify some of the new regulations of the Animal Industry Act and to discuss TB in general. Some of the other discussions are agricultural prices and the new Congress taking up the new farm bill. There also have been phone calls and discussions regarding the Clean Sweep program. There are still a few acres of corn and soybeans in the field in some areas, but not much.

I would like to welcome the new Commissioners, and I look forward to meeting you. I would like to say thank you to Shirley Skogman for the miles she traveled, the smiles she shared and her commitment to Michigan agriculture. She represented the U.P. proudly. And to Deanna Stamp for her tireless efforts with the TB issue and handling issues during meetings. My time with you both has taught me a great deal and I am grateful. Michigan agriculture is better than it would have been without you both. Thank you.

**Chair James Maitland** expressed his appreciation to Ray Pleva for the bacon he sent to the Commission for the meeting participants to enjoy today. The bacon was cured in cherry brine, and is a delicious product. Chair Maitland also met recently with Mr. Pleva and Representative Jason Allen on a beef farm in the Traverse City area to discuss an idea Mr. Pleva is exploring with MSU to feed cherry products to cattle as a feed supplement. He believes that the acid from the cherries would destroy some of the *e.coli* bacteria and could solve some of the problems in butchering. Mr. Pleva also believes that it could cause the meat to be more tender. Chair Maitland noted that the cherry industry is always appreciative of Mr. Pleva's efforts to promote cherry products.

Chair Maitland serves on the council of the Northwest Michigan Orchard Show and the show will be held next week in Traverse City. He added that there has been a lot of snowfall and the ground is not frozen, an ideal scenario for his area.

**UPDATE AND INTRODUCTION OF MICHIGAN FFA OFFICERS: Dan Kiesling, FFA President; Kara Butters, Region I State Vice-President; Ryan Robinson, Region III State Vice-President; Glenn Sterner, Region IV State Vice-President; and Noelle Duncel, State Secretary**

Dan Kiesling, FFA President thanked the Commission for the opportunity to provide an update on FFA activities. The FFA officers provided an overview of the direction they see FFA taking in the next year. The theme of 2001 is *"The road less traveled,"* and their mission is to develop leaders through agricultural education issues and global diversity as members explore the road less traveled. This year's goals are to:

- ? Challenge members to utilize their talents in order to reach their full potential.
- ? Encourage members to excel in leadership through FFA, career development through Supervisory Agricultural Experience (SAE), and scholarship through classroom activities.
- ? Prepare members to live and work in a globally diverse world.
- ? Further strengthen the Michigan Association by expanding junior high programs in agricultural education.

Director Wyant introduced Michigan FFA State Advisor Jeff Hawes and congratulated each officer for their model leadership. He said that there are many challenges facing agriculture today that will offer FFA a phenomenal opportunity.

**PRESENTATION OF THE "MICHIGAN SITE NETWORK: THE PERFECT LOCATIONS FOR FOOD PROCESSING," Brandon Lupp and Robert Craig, Office of Agriculture Development**

Robert Craig, director of the Office of Agriculture Development, introduced Brandon Lupp, a former student summer intern, who worked in the Office of Agriculture Development and assisted in the *"Michigan Site Network: The Perfect Locations for Food Processing"* project. This is a partnership effort between MDA, the Michigan Economic Development Corporation (MEDC), and Detroit Edison.

Mr. Lupp gave a power point presentation highlighting the project. The Michigan Site Network is a database accessible from the Internet that provides thousands of industrial and commercial locations. The database also allows customizing the search criteria to receive specific information. The Michigan Site Network provides valuable information on available land and buildings for most sites. The web site, [www.misitenet.com](http://www.misitenet.com) provides the following information:

- ? Name and location of the site;
- ? Land or building size;
- ? Zoning classification, including Renaissance, Empowerment and Foreign Trade Zones;
- ? Industrial park, free-standing or Greenfield location;
- ? Aerial or ground photographs;
- ? Brownfield redevelopment information, including tax incentives;
- ? Sales price or lease rates;
- ? Business incentives;
- ? Utility infrastructure (water, sewer, electric, gas and telephone);
- ? Transportation access (interstate, highway, airport, railroad and seaport);

- ? Traffic counts;
- ? Age of the building;
- ? Ceiling heights or number of stories;
- ? Number of parking spaces;
- ? Crane availability;
- ? Number of loading docks or overhead doors; and
- ? Community contacts and real estate brokers.

Commissioner Tatter asked if it is possible to track the hits made to the web site and follow up with those seeking information.

Mr. Craig explained that a person must have a password to receive detailed information from the database. After a person registers with the Michigan Economic Development Corporation, the Office of Agriculture Development would have the person's name and address in order to do a follow up.

Chair Maitland noted that there should be a link or information available on the department's web site to this web site.

Commissioner Tatter said MDA and MEDC should develop partnerships with other Michigan utilities to get them involved in this project, since all utilities have economic development groups within their organizations.

Commissioner Viau asked what factors are being used to determine what sites are included in the network. She noted that there are many vacant beef slaughter facilities.

Mr. Craig responded that currently there are over 20 sites for food processors in the network. As other locations are identified, they would be added to the network.

#### **DISCUSSION OF AGRICULTURE PROCESSING RENAISSANCE ZONE DESIGNATIONS:**

A discussion was held on the designation of Agriculture Processing Renaissance Zones in Michigan. Agricultural Processing Renaissance Zones, recently signed into law by the Governor, are new tools to encourage economic development specifically for the agriculture processing industry. Qualified zones will be exempt from all state and local taxes for up to 15 years. A maximum of 10 zones specifically for agricultural processing facilities may be designated anywhere in Michigan, but the deadline is December 31, 2002.

Background information about the Michigan Renaissance Zone Program, the Agricultural Processing Renaissance Zones (APRZ) Policy for Criteria, Frequently Asked Questions, and Comparison of APRZs to the state's regular rural/urban Renaissance Zones was available.

The following testimony was received:

**Alton C. Wendzel, President, Coloma Frozen Foods, Inc., Coloma, Michigan** said he is before the Commission today to express concern and displeasure in the way the selection of new Agriculture Processing Renaissance Zones is being administered by the State of Michigan.

While there is no objection to the legislation itself, it was totally unfair the way the first two zone designations were granted. Many in attendance at today's meeting participated in the informational meetings held by the state. Participants were assured that this legislation would not be used to unfairly give one company an economic edge over another. However, the state did the exact opposite of what it said it was going to do. This is totally unfair to other processors who are in a business competing with those companies. Therefore, the same tax relief should be granted to all economically stressed participants in the commodity food processing industry in Michigan. These zones should be used as intended and that is to bring new industry into Michigan.

The way the grants have been made gives two companies an economic advantage over the rest. Knowing the competitive nature of the industry, these companies will use this advantage to gain a larger share of the market. It will force the rest of the processors to try and purchase raw material from growers at lower prices in order to meet the competition. Eventually, what will happen is a basic swapping of jobs. This is grossly unfair. The Commission and the Governor must re-examine the legislation and the way it is being administered. If it cannot be reversed, then all competing processors should be granted equal tax relief status.

Mr. Wendzel provided his written testimony expressing concern about the administration of the legislation for granting Agricultural Processing Renaissance Zones in Michigan. He supports the intent of this legislation as presented by the state at recent public meetings, but not the result.

**Lorraine Chase of Chase Farms, Inc., Walkerville, Michigan** believes that not enough thought and time was given to the application review process. It was a rush to implement the legislation this year and by doing so it created gross inequities. Once their application was submitted they received no further contact or discussion from the state. However, the other two applicants who applied and were successful had on-going conversations with state officials. Everyone should have received the same consideration and opportunity.

**Bob Sherman of Burnette Foods, Inc., Elk Rapids, Michigan** read and provided written testimony from William R. Sherman, President of Burnette Foods, expressing his concern and disapproval with the Agricultural Processing Renaissance Zones selection process.

**James H. Brian, President of Smeltzer Orchard Company of Frankfort, Michigan** read and provided testimony concerning Agricultural Processing Renaissance Zones. They are seeking fair and equal treatment in administration of the Act. If that cannot be done, they are asking for a re-evaluation of the legislation.

Commissioner Tatter asked if the reason Smeltzer Orchard Company did not submit an application was because it believed it was not eligible.

Mr. Brian said that was correct. In the City of Hart there is a commercial freezer and an equipment company that were arbitrarily swept into the Hart zone. There is no way either one of them process any commodity, let alone be eligible under the auspices of the Act.

Mr. Wendzel added that some in the area have insinuated that this was done in order to sell a municipal sewer system upgrade, and to let the taxpayers of Michigan help support

the City of Hart's sewer system. The people here today have invested hundreds of thousands of dollars installing their own processing water disposal systems. It is not right for the City's other taxpayers to use properties in the zone to pay for the sewer system improvement by giving relief on taxes in exchange for zone designation.

**Norman Veliquette, President of Great Lakes Packing Company, Elk Rapids, Michigan** added that they rent a facility in Hart that is in the ag processing renaissance zone. There would be no net savings gain for his company. The fact that the company is in the zone does not give an advantage because initial signals indicate that the city will restructure the sewer and water charges to offset any gains that the entities in the zone would enjoy from the designation. Mr. Veliquette provided written testimony expressing his concern about the unfair competitive advantage.

**Steven C. Packer, Vice President, Honee Bear Canning Co., Inc., of Lawton, Michigan** read and provided written testimony about the inequity of the Agriculture Processing Renaissance Zones.

**Glenn F. LaCross of Leelanau Fruit Company of Suttons Bay, Michigan** read and provided written testimony expressing disapproval with the initial assignments of Agriculture Processing Renaissance Zones.

**Michael Chase, President of Chase Farms, Inc., of Walkerville, Michigan** read and provided written testimony expressing disapproval of the Agricultural Processing Renaissance Zone assignments.

**Tom Rochford, President of Cherry Growers, Inc., Grawn, Michigan** submitted a fax transmission of his comments indicating concern about the Agricultural Processing Renaissance Zones.

Director Wyant referred to the background materials made available today and that were distributed at the informational meetings held around the state. He expressed his appreciation to those who attended today's meeting.

He said that clearly the intent of the Legislature and the Administration was to address a serious issue by creating opportunities to keep food processors in Michigan. This was the purpose and intent of the Agricultural Processing Renaissance Zones legislation.

Director Wyant recognizes that there is a fine distinction between encouraging new activity and new jobs versus creating competition and putting others at risk. This is the fine line and where the focus needs to be.

Mr. Wendzel noted that Michigan already has adequate asparagus processing capacity, cherry processing capacity, blueberry processing capacity, and applesauce, juice, slice and dice capacity. There is an over-supply of commodity processor capacity and raw product. He believed that the intent of this legislation would be to bring in companies that would give value-added opportunities to the commodities that are produced. If not, there is no need to grant agricultural processing renaissance zone status to one and not another, unless it is blanketed across everybody in Michigan, giving processors in Michigan a better economic edge on the competitors in New York or Washington.

Director Wyant said this is where the department needs to focus this issue with our partners at the Michigan Economic Development Corporation. If there is consensus, the



purpose of an appropriate agricultural processing renaissance zone can be defined to create a level playing field. Director Wyant asked for the help of those attending today's meeting in developing that definition.

Mr. Wendzel said that when you look at the dollar amount for the forgiveness of real and personal property and single business activity taxes, as well as the cost of operating a company, a half-cent to one-cent a pound economic advantage has been given. Michigan is over-saturated with processors right now and many times processors are selling below cost just to cover overhead. The condition of agriculture is deplorable, not only in Michigan, but throughout the U.S. The state has damaged the commodity food processing industry by using this legislation to give relief of single business activity tax and property tax to existing operations. This is not what we were told would happen at the explanatory meetings after we raised our specific concerns.

Director Wyant understands that what is being said today is that the local impact needs to be addressed. Job creation and the local community are inherent in the application that the local community submits to the state. It is not the individual processor who submits the application, but the local unit of government. What is being said today is that the state must do a more thorough job in answering the questions of 1) how does this impact other processors; and 2) are there new enterprises with respect to these decisions. One of the challenges to our staff is that when the state enters into discussions with applicants they are bound by confidentiality agreements.

Chair Maitland suggested that MDA staff review the intent of the legislation and prepare a response. He expressed his appreciation on behalf of the Commission for those whom appeared today.

Mr. Armstrong referred to the federal government foreign trade zones that were very specific, with a highly polished set of eligibility criteria. Honee Bear Canning was eligible, but it took two to three years to obtain. The renaissance zone is a similar process and a highly polished, specific set of criteria is needed. The polish is not there, it is very dull and somewhat mysterious.

Commissioner Tatter referred to the selection criteria and noted that in the 15 criteria elements given for making a selection, there is nothing that deals with how the selection would negatively affect competitors. This should be part of the decision process. Secondly, he agrees that there should not be a rush to judgment.

Director Wyant agreed with Chair Maitland and stated that the department will put together detailed responses to the questions that have been raised today.

#### **UPDATE ON BOVINE TUBERCULOSIS: Dr. H. Michael Chaddock, State Veterinarian and Director of the Animal Industry Division**

Dr. H. Michael Chaddock, State Veterinarian and Director of the Animal Industry Division, provided an overview and brief history of the bovine tuberculosis situation in Michigan. He distributed updated information about Michigan's Surveillance Program, a map of Farms Tested for Bovine Tuberculosis through January 8, 2001, Survey Results, TB Tests Completed on Dairy Farms, and Surveillance in Free-ranging White-tailed Deer.

Dr. Chaddock said that to date 11 cattle herds (nine beef/two dairy), located in Northeast Lower Michigan, have been infected with bovine tuberculosis. Nine of these herds have been depopulated, with the two dairy herds under herd plans for testing. The goal of the bovine tuberculosis program is to eradicate bovine tuberculosis and to regain Michigan's TB free status from USDA. The bovine tuberculosis program is comprised of three major issues: animal health, public health, and economics. Bovine tuberculosis remains in two states in the United States: Texas and Michigan.

He referred to a State of Wisconsin news release indicating that the state took a person to court for the illegal movement of animals into the State of Wisconsin. He was assessed a \$1,500 fine for failure to have the proper interstate testing.

The annual Bovine Tuberculosis Conference will be held in Lansing on March 5-6, 2001, with international guest speakers from South Africa and Canada participating. There will be presentations made by both wildlife and agricultural interests that will discuss the interface of the disease between wild animals and domestic animals. Discussions also will be held about the seriousness of the disease and the new issues that are emerging. MSU and USDA will make presentations on current research.

#### **DISCUSSION ON ESTABLISHING A HIGH RISK AREA FOR BOVINE TUBERCULOSIS AS DEFINED IN THE ANIMAL INDUSTRY ACT (PA 466 OF 1988)**

Chair Maitland asked that Dr. Chaddock provide an overview for the new Commissioners of establishing high-risk areas for bovine tuberculosis.

Dr. Chaddock explained that the goal is to remove the quarantine in Northeast Lower Michigan. Although the quarantine has served its purpose, there are major drawbacks in as a result of PA 466 amendments. Working with the industry, MDA developed a recommendation to present to the Legislature. The recommendation allows for the Director to designate an area of the state as a "high-risk" area and to allow, under the designation, biosecurity measures. The Director could order that, to move animals in or out of the area, testing must be done yearly, or whatever other procedures may be deemed appropriate. With that being in place, the quarantine could be removed.

Many states have a legal problem with the word "quarantine." MDA is trying to develop a method to have a biosecure area and have the needed testing required for the area, but be able to release the quarantine.

A "high risk" area is an area where bovine tuberculosis has been diagnosed in livestock. A "potential high risk" is an area where bovine tuberculosis has been diagnosed in wild animals only. The director determines the actual boundaries of the high risk and potentially high-risk areas based on scientifically based information.

Dr. Chaddock said the intent of the high-risk designations is to reduce the burden and the requirements on the producers currently within the quarantine area. It is not to increase any testing requirements or add any additional burden.

MDA has asked for input from MSU, USDA, and DNR to state scientifically what they feel the designation should be based on. The report has not been received to date, but should be available soon.

Chair Maitland asked if the final determination rests with the department director, and if public comment would be received before a final decision for an area is made.

Director Wyant said that he would like to hear comments from those in attendance today, review the report recommendations by MSU and USDA on the issue, and then to hear from the communities involved and those who would be impacted by a decision. He said it is his intent to work with Representative Sheltroun and his constituents on this decision.

### **PUBLIC COMMENT – High Risk Areas**

**Representative Dale Sheltroun** read and submitted written testimony concerning high-risk area designations. He believes that the deer are responsible for transmitting bovine tuberculosis to the cattle. He has testified to this fact before the Natural Resources Commission. There must be testing of all deer killed in the Deer Management Unit (DMU) 452 area; deer sampling is not working. There must be pressure on the DNR. There are most likely many deer outside of the area that have TB.

**Kevin Small of Curran, Michigan** read and submitted written testimony concerning the high-risk area designation. He strongly supports reducing the size of the high-risk area from the current M-55 and I-75 boundary to the five counties of Alcona, Oscoda, Alpena, Montmorency and Presque Isle.

**Bob Bennett, President of the Ogemaw County Farm Bureau** read and submitted written testimony on the economic impact of the proposed high-risk TB designation. He stated that producers are requesting that Ogemaw County not be designated a high risk TB area.

**Russell P. Nelkie of Nelkie Farms LLC, Tawas City, Michigan** read and submitted written testimony on establishing boundaries for a TB high-risk area in Northwest Michigan.

**The following people declined public comment, but were in support of Representative Sheltroun's statement: Klint Marshall of Lupton, Michigan; Eric Clemens of West Branch, Michigan; Fred Hinkley of West Branch, Michigan and Ogemaw County MSU-Extension; Bill Carpenter of Tawas City, Michigan; and Terry Fritz of West Branch, Michigan.**

**Mike Boensch, President of the Iosco County Farm Bureau** provided written testimony concerning establishing a high-risk area in the counties located in DMU 452.

Director Wyant said that once the MSU/USDA recommendation has been received and reviewed, he would contact Representative Sheltroun. No decision will be made without consultation from the impacted communities. He noted that there is a statutory requirement that notification be made through the local newspaper.

**UPDATE ON GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES (GAAMP) FOR SITE SELECTION AND ODOR CONTROL ACTIVITIES: Gary Boersen and Marvin Johansen of the Environmental Stewardship Division**

Gary Boersen and Marvin Johansen of the Environmental Stewardship Division provided an update on the Generally Accepted Agricultural and Management Practices (GAAMP) for Site Selection and Odor Control Activities.

The GAAMP was approved by the Commission on May 31, 2000, as required under amendments to the Right to Farm Act. MDA is working closely with MSU Extension, in addition to attending industry meetings, to explain and answer questions about the GAAMP. MDA has received approximately 50 inquiries since May, conducted 29 site visits, and received five verification requests. Two have been granted, one is on hold pending clarification, and two remain active. The majority of the requests received have been for dairy expansions. When a verification request is received, the township is notified. The township is also notified when the verification has been completed.

Mr. Boersen noted that there have been no requests for public meetings or concerns brought to the department. Mr. Johansen added that MDA has been in attendance at township board meetings to explain the process.

**APPROVAL TO INITIATE THE PROCESS FOR GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES (GAAMP): Marvin Johansen of the Environmental Stewardship Division**

Marvin Johansen of the Environmental Stewardship Division presented the Generally Accepted Agricultural and Management Practices for Cranberry Production, Care of Farm Animals, and Site and Odor Control for Commission approval to initiate the annual review process.

**MOTION: COMMISSIONER TATTER MOVED TO INITIATE THE ANNUAL REVIEW PROCESS OF THE GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES FOR CRANBERRY PRODUCTION; CARE OF FARM ANIMALS; AND SITE AND ODOR CONTROL. SECONDED. MOTION CARRIED UNANIMOUSLY.**

Letters to the task force chairs were presented and signed by Chair Maitland.

**REVIEW OF COMMISSION OF AGRICULTURE AND NATURAL RESOURCES COMMISSION ACTIONS TAKEN ON BOVINE TUBERCULOSIS IN MICHIGAN: Robert Bender, State Bovine Tuberculosis Eradication Coordinator**

Robert Bender, State Bovine Tuberculosis Eradication Coordinator, reviewed and highlighted Commission of Agriculture and Natural Resources Commission (NRC) actions taken on bovine tuberculosis in Michigan. He highlighted the following:

In the spring of 1999, there were no infected animals outside of the bovine tuberculosis area. There was a feeding ban in place the winter of 1998-99. A voluntary feeding ban was in place in Northeast Michigan a couple of years prior. In 1998-99, after much

discussion, it was decided that the MDA director had the authority to impose a feeding ban, which he did. The decision was challenged in court, with the court ruling that the director did not have the authority to impose the feeding ban. At that time, both Commissions passed resolutions calling for a statewide supplemental feeding ban.

In the process of obtaining a legislative feeding ban, it was decided that there should be something in place to allow for small volume, spread out feeding for recreational viewing. There is a distinction between supplemental feeding and recreational viewing. HB4499 was passed mandating that the authority to regulate feeding fell under the purview of the DNR. The DNR initially allowed feeding and baiting in Northeast Michigan and, at that time, USDA was considering split state status for Michigan. USDA indicated that a baiting and feeding ban would be necessary in Northeast Michigan in order to consider the split state status. DNR reversed its earlier decision, and passed a resolution calling for a feeding and baiting ban in Northeast Michigan.

Negotiations were ongoing with USDA regarding split state status. However, negotiations failed due to the discovery of infected deer in Antrim, Osceola and Mecosta Counties. At that point, split state status was no longer an option.

In the spring and summer of 2000, USDA did not require a baiting and feeding ban. Both Commissions passed separate resolutions, with agreement in three areas: 1) no feeding and baiting in a TB affected area, 2) regulations for the Year 2000 would be more restrictive than the previous year; and 3) feeding would eventually be eliminated as a practice in the State of Michigan.

The Natural Resources Commission was presented a series of options by the DNR Wildlife Division, but those options were rejected. Currently, however, the Natural Resources Commission bans feeding and baiting in counties where an infected deer has been found. If an infected deer is found outside of a county where a ban is in place, then that county is automatically added to list. The county also becomes eligible for disease control permits. If the deer found in Emmet County receives a positive confirmation, that county would be added to the list as well.

Commissioner Tatter asked what happens when a deer is found close to the county line.

Mr. Bender said there has been discussion about this scenario at Natural Resources Commission meetings. The decision by the NRC was that it is easier to define by county than by radius. There have been meetings held about this issue between USDA and DNR. USDA is recommending that there be some type of buffer around those areas. USDA would like something broader than what is currently in place.

The Wildlife Conservation Order that was passed states no feeding and baiting in any county with an infected deer. The Order allows baiting with two gallons in the Lower Peninsula, five gallons in the U.P., and feeding for recreational viewing is defined no more than two gallons spread over one site per day, within 100 yards of an occupied residence. These regulations are currently in place and the NRC most likely will not change its policy this year.

One other issue of concern by the NRC is the movement of potentially infected feed out of the area. The NRC would like to see a restriction on the movement of potentially infected feed from infected premises.

Commissioner Tatter asked if USDA or MSU have completed their research in determining the viability of the bacteria on forage.

Mr. Bender said an update on that research will be given at the March TB Conference.

Chair Maitland noted that the Commission of Agriculture is on record as opposing all feeding of deer in the state of Michigan.

**FINAL APPROVAL OF THE GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES FOR PESTICIDE UTILIZATION AND PEST CONTROL: Dr. Larry Olsen, Task Force Chair**

Dr. Larry Olsen, Task Force Chair, reviewed the proposed changes to the Generally Accepted Agricultural and Management Practices for Pesticide Utilization and Pest Control.

A public meeting was held on January 3, 2001 to receive comment on the proposed GAAMP. Copies of the written comments received were provided to the Commission prior to today's meeting.

**Public Comment – Generally Accepted Agricultural and Management Practices for Pesticide Utilization and Pest Control**

No public comment was received at today's meeting.

**MOTION: COMMISSIONER VIAU MOVED TO APPROVE THE GENERALLY ACCEPTED AGRICULTURAL AND MANAGEMENT PRACTICES FOR PESTICIDE UTILIZATION AND PEST CONTROL AS PRESENTED. SECONDED. MOTION CARRIED UNANIMOUSLY.**

**LEGISLATIVE REPORT: Brad Deacon, Legislative Liaison**

Brad Deacon, Legislative Liaison, distributed and reviewed the final 2000 Legislative Report. Following are highlights of the report:

- ? HB 4392 PA 434 of 2000 (*Pickup Bed Riders*) Prohibits riding in open bed of a pickup truck except in certain instances.
- ? HB 4803 Drain Code Defeated in the Senate (13-22)
- ? HB 5408 PA 355 of 2000 (*Grain Dealers*) Revises reference to the Uniform Commercial Code.
- ? HB 5411 PA 357 of 2000 (*Farm Equipment*) Revises reference to the Uniform Commercial Code.
- ? HB 5586 PA 433 of 2000 (*Livestock Production*) Repeals Section 2 of PA 181 of 1974.
- ? HB 5639 PA 438 of 2000 (*Dog License*) Option of a one or three year license.
- ? HB 5669 PA 502 of 2000 (Registration Fees) Includes certain farm vehicles in registration fees.
- ? HB 5677 PA 332 of 2000 (*Food at Flea Markets*) Bans sale of food at unused

?	HB 5967	PA 484 of 2000	property market. ( <i>Bean Commission</i> ) Revises procedure for electing members.
?	SB 651	PA 504 of 2000	( <i>Soil Erosion</i> ) Provides for state regulatory authority and civil remedies.
?	SB 763	PA 421 of 2000	( <i>Farmland Tax Credit</i> ) Revises qualifying income level for farmland and open space income tax credit.
?	SB 795	PA 418 of 2000	( <i>Youth Farm Labor</i> ) Eliminates caps on number of weeks youth are allowed to be employed in certain farming operations.
?	SB 830	Passed House Not Concurred	( <i>Property Tax Exemption</i> ) Exempts personal property of an ag cooperative from property tax.
?	SB 911	PA 471 of 2000	( <i>Compulsive Gaming Fund</i> ) Revises contribution rate to the compulsive gaming prevention fund to include ag equine industry.
?	SB 1055	Referred to Cmt on Govt Operations	( <i>Horseshoer's Lien</i> ) Repeals statute providing for a horseshoer's lien.
?	SB 1056	PA 377 of 2000	( <i>Potato Dealers Repeal</i> ) Repeals rulemaking authority regarding wholesale potato dealers.
?	SB 1271	Pocket Vetoed	( <i>Ag Processing Fund Deposits</i> ) Allows agricultural process facility development fund deposits.
?	SB 1272	Pocket Vetoed	( <i>Ag Processing</i> ) Creates agricultural processing facility act.

Mr. Deacon also distributed and reviewed information regarding the process for "*Promulgating Rules Under the Administrative Procedures Act.*"

#### **DIRECTOR'S REPORT: Dan Wyant, Director**

Director Wyant provided an update on the following:

- ? Two ethanol plants are currently under consideration in Michigan. One originates from a farmers' group and the other is a private investment group. Both groups are in the process of developing business plans.
- ? Fire blight in apples continues to be an issue in Southwest Michigan. MDA has been working with MSU to identify the affected acreage, and with USDA to identify available assistance programs. The programs include a federal disaster grant for apples, and one on weather that applies nationally to potatoes and apples, a low-interest loan program. The department is also trying to find a way to reestablish the federal Tree Assistance Program (TAP). At the state level, MDA is identifying state programs available by working with area legislators and the Governor's office.
- ? A bovine tuberculosis strategic planning meeting was held with MDA staff to review the program. A specific plan of action was discussed and once that plan has been developed, it will be brought to the Commission.
- ? Director Wyant attended a meeting held in Texas and had the opportunity to meet the new administration. Doug Howard, former director of the Family Independence Agency is part of the USDA transition team. Broad-based recommendations have

been developed for consideration by U.S. Agriculture Secretary Ann Veneman. There is major focus on key components of the Farm Bill. Director Wyant has worked with Secretary Veneman in the past and she has a great deal of international experience. Director Wyant and Department of Environmental Quality Director Harding have been meeting, and will continue to meet, with Region 5 EPA on Confined Animal Feeding Operations. It is important to be proactive, and the Michigan Environmental Assurance Program will be the cornerstone of our program. EPA rules and regulations need to be practical, resource-efficient and targeted towards the priorities in Michigan.

- ? The definition of "value-added" must be perfected. The roles of MDA, the Rural Development Council of Michigan, MSU, and the Michigan Economic Development Corporation need to be defined as they relate to working with private agencies.
- ? MDA is involved in a response to the federal government on BSE (Mad Cow Disease). This is due to the concerns by USDA about the disease in Europe. Michigan is in a unique position to offer information because of its experience in testing for bovine tuberculosis.

**MDA Background Paper on Genetically Engineered Organisms in Agricultural Biotechnology:** Kenneth Rauscher, director of the Pesticide and Plant Pest Management Division distributed and briefly reviewed the *"MDA Background Paper Genetically Engineered Organisms in Agricultural Biotechnology."* This is a working document, and MDA continues to review and take comment on how agricultural biotechnology impacts agriculture.

**Study Trip to Mexico City:** The Commission has been invited to send a representative to participate in an International Policy and Issues Study Trip to Mexico City from March 5-14, 2001. MSU, the Michigan Farm Bureau and various other agriculture leaders will be traveling to Mexico City. The three commodity issues are apples, dry beans and sugar. Director Wyant recommended that Chair Maitland participate in the trip.

**MOTION: COMMISSIONER TATTER MOVED TO APPROVE COMMISSIONER MAITLAND'S TRAVEL EXPENSES TO PARTICIPATE IN THE INTERNATIONAL POLICY AND ISSUES STUDY TRIP TO MEXICO CITY FROM MARCH 5-14, 2001. SECONDED. MOTION CARRIED UNANIMOUSLY.**

#### **APPROVAL OF COMMISSION OF AGRICULTURE RESOLUTIONS:**

**MOTION: COMMISSIONER TATTER MOVED TO APPROVE THE COMMISSION OF AGRICULTURE RESOLUTIONS FOR HAROLD MITCHELL, OAKLAND COUNTY SOIL CONSERVATION DISTRICT; AND THE MSU LIVESTOCK JUDGING TEAM AS PRESENTED. SECONDED. MOTION CARRIED UNANIMOUSLY.**

#### **PUBLIC COMMENT**

**Kathy Melmoth of Recipe Gardens, Pittsford, Michigan** distributed and read testimony regarding confined animal feeding operations. She believes the Right to Farm



Bill has gone too far in protecting industrial livestock agriculture at the expense of rural communities and other farm businesses.

**Janet Kauffman of Hudson, Michigan** is a former hay farmer. She said a portion of her farm is part of the federal Wetland Reserve Program. She lives in Lenawee County in Hudson Township, but the farm is located in Hillsdale County in Pittsford Township. Confined animal feeding operations are a matter of concern to both townships.

Ms. Kauffman stated that in the past year, eight facilities have begun operation causing a profound disruption in all of their lives. She is very concerned about watershed problems and water management. She believes that MDA must be proactive in this area. When the numbers are this high, and the concentrations are this extreme, it must be a consideration. She will voice her concerns about making site select GAAMPs mandatory for large operations to the Site Selection and Odor Control Committee. Residents are unaware when these operations are being built because the owners do not have to go through the site selection process. They only use the process if they want the guarantee of nuisance protection under Right to Farm.

The operations in her area are dairy operations. One has 700 cows and another one under construction will house 4,000. Public consideration of the negative impact on residents needs to be a part of the process. There is no time allowed during the process for public comment, from the time the application is received until approval is granted. It is only after approval that neighbors within one mile can appeal.

Director Wyant asked if she was familiar with the Michigan Environmental Assurance Program. He also asked if she supports a zero discharge standard in Michigan.

Ms. Kauffman said she is aware of the program, but it is strictly voluntary on the part of the farmer. She also supports a zero discharge standard for Michigan.

Director Wyant said agronomic rates are a standard requiring that manure be used only at the rate to which a crop can utilize that manure.

Ms. Kauffman responded that if the state required a manure management plan, she would be supportive.

Director Wyant asked if she would support cost sharing for technology, allowing for farmers to upgrade by using new technology.

She responded that North Carolina has a five-year phase out process, and there are European programs that deal with composting and pelletizing. She would support cost sharing for those type of programs.

Director Wyant asked if she sees the issue as being primarily environmental, odor, or is it an overall need for restructuring agriculture.

Ms. Kauffman believes it is all three. She is very concerned about water resources.

Director Wyant asked if size is an issue.

She would prefer that there not be more than a certain number of these facilities allowed in one area. There should only be so many allowed in relation to a watershed. Having

one in the community is one thing, but having eight or more huge operations is another issue.

Director Wyant believes that these are three separate issues: environment, odor and the structure of agriculture. MDA policy has focused on the odor issue. He also agrees that zero discharge, agronomic rates, site specific plans, comprehensive nutrient management, and education are incentives to reaching a solution. The question becomes whether it is to be mandated or voluntary.

**Nancy Bellville of Nansue Farms, Prescott, Michigan** distributed information and read testimony concerning electrical pollution. She is asking the Commission to send a letter to the Public Service Commission and the Chairs of the House and Senate Agriculture Committees asking for the statewide adoption of NESC Code 215B for all utility companies. She also distributed a *"Proposal for Eliminating Electrical Pollution in Michigan."*

**Robert L. Mol, Assistant Attorney General, Special Litigation Division** said that electrical pollution is a difficult issue. Farmers are unable to solve the problem because the solution rests with the utility. The Attorney General's office has filed suit against Consumers Energy ordering an upgrade of their lines. Many lawyers who have represented farmers in these cases have won. However, there needs to be a solution reached for all farmers. He said that more money is being paid in the resolution of these lawsuits by Consumers Energy than it would take to fix the problem. He added that it is imperative to get the electrical current out of the ground because of its impact on dairy cows, other livestock, and the public.

Mr. Mol recommended that the Commission send a letter to the Public Service Commission supporting Ms. Belleville's position.

Director Wyant responded that the department would look into the issue and notify Ms. Belleville.

**Lynn Henning of Clayton, Michigan** distributed information and discussed the problem of confined animal feeding operations. She agreed with Ms. Kauffman's testimony and expressed her concern about the huge factory dairy farms in rural townships surrounding Hudson, Michigan.

**Ron Nelson of the Michigan Farm Bureau** expressed his appreciation to former Commissioners Stamp and Skogman for their tireless efforts on behalf of Michigan agriculture. He welcomed Commissioners Pridgeon and Viau to the Commission.

Mr. Nelson agreed that electrical pollution is a problem. The Michigan Farm Bureau has a policy in place about the issue. It is a difficult issue because science does not agree. The Michigan Farm Bureau has been working with the Public Service Commission to adopt a standard. He added that the Michigan Farm Bureau is willing to work with MDA on the stray voltage issue.

Mr. Nelson said that Senate Bill 205 does not preclude zoning by local units of government in relation to the confined animal feeding operations. Local units of government have a responsibility and an obligation to zone when necessary.

## **ELECTION OF 2001 COMMISSION OFFICERS**

**MOTION: COMMISSIONER PRIDGEON MOVED TO ELECT THE 2001 COMMISSION OF AGRICULTURE OFFICERS AS FOLLOWS:**

- ? **Jordan B. Tatter, Chair**
- ? **Douglas E. Darling, Vice-Chair**
- ? **James E. Maitland, Secretary**

**SECONDED. MOTION CARRIED UNANIMOUSLY.**

Chair Tatter expressed his appreciation on behalf of the Commission, the Director and departmental staff by presenting Commissioner Maitland an honorary gavel to thank him for his year of service as chair.

## **ADJOURN**

**MOTION: COMMISSIONER MAITLAND MOVED TO ADJOURN THE MEETING AT 1:25 P.M. SECONDED. MOTION CARRIED UNANIMOUSLY.**

*(Note: Due to a transcribing machine malfunction portions of the meeting were not tape recorded.)*

## **ATTACHMENTS:**

The following attachments are on file in the Commission of Agriculture office and are available upon request by contacting Vicki Burke, Commission Secretary, at (517) 373-1085, or by writing the Michigan Commission of Agriculture, Post Office Box 30017, Lansing, Michigan 48909.

Attachment A	Commission of Agriculture December 7, 2000 Meeting Minutes
Attachment B	Written Comments: Commissioner Douglas Darling
Attachment C	<i>"Michigan Site Network: The Perfect Locations for Food Processing"</i>
Attachment D	Written Comments: Alton C. Wendzel, President, Coloma Frozen Foods, Inc., Coloma, Michigan
Attachment E	Written Comments: Bob Sherman of Burnette Foods, Inc., Elk Rapids, Michigan
Attachment F	Written Comments: James H. Brian, President of Smeltzer Orchard Company of Frankfort, Michigan
Attachment G	Written Comments: Norman Veliquette, President of Great Lakes Packing Company, Elk Rapids, Michigan
Attachment H	Written Comments: Steven C. Packer, Vice President of Honee Bear Canning Company of Lawton, Michigan
Attachment I	Written Comments: Glenn F. LaCross of Leelanau Fruit Company of Suttons Bay, Michigan
Attachment J	Written Comments: Michael Chase, President of Chase Farms, Inc. of Walkerville, Michigan
Attachment K	Written Comments: Tom Rochford, President of Cherry Growers, Inc. of Grawn, Michigan
Attachment L	Michigan's Surveillance Program – Bovine Tuberculosis
Attachment M	Michigan Map of Farms Tested for Bovine Tuberculosis through January 8, 2001
Attachment N	Bovine Tuberculosis Survey Results
Attachment O	Bovine Tuberculosis Tests Completed on Dairy Farms
Attachment P	Surveillance in Free-ranging, White-tailed Deer
Attachment Q	Written Comments: Representative Dale Sheltroun
Attachment R	Written Comments: Kevin Small of Curran, Michigan

Attachment S	Written Comments: Bob Bennett, President of the Ogemaw County Farm Bureau
Attachment T	Written Comments: Russell P. Nelkie of Nelkie Farms LLC, Tawas City, Michigan
Attachment U	Written Comments: Mike Boensch, President of the Iosco County Farm Bureau
Attachment V	Generally Accepted Agricultural and Management Practices for Cranberry Production
Attachment W	Generally Accepted Agricultural and Management Practices for Care of Farm Animals
Attachment X	Generally Accepted Agricultural and Management Practices for Site and Odor Control
Attachment Y	Commission of Agriculture and Natural Resources Commission Actions Taken on Bovine Tuberculosis in Michigan
Attachment Z	Generally Accepted Agricultural and Management Practices for Pesticide Utilization and Pest Control
Attachment AA	Legislative Report – December 2000
Attachment BB	Director's Report – January 2001
Attachment CC	Draft Background Paper on Genetically Engineered Organisms in Agricultural Biotechnology
Attachment DD	Commission of Agriculture Resolution for Harold Mitchell, Oakland County Soil Conservation District
Attachment EE	Commission of Agriculture Resolution for the MSU Livestock Judging Team
Attachment FF	Written Comments: Kathy Melmoth of Recipe Gardens, Pittsford, Michigan
Attachment GG	Written Comments: Nancy Bellville of Nansue Farms, Prescott, Michigan
Attachment HH	Written Comments: Lynn Henning of Clayton, Michigan
Attachment II	Memo to Commission of Agriculture regarding Telephone Call from Ed Knauf of Mio, Michigan, regarding Agricultural Lands Taxed at Highest and Best Use